

Department of Planning and Budget

2002 Fiscal Impact Statement

1. Bill Number SB504

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Bolling

3. Committee Rehabilitation & Social Services

4. Title Licensure by Commissioner of Department of Rehabilitative Services.

5. Summary/Purpose:

This legislation provides a system for licensing non-mental retardation human service providers consistent with the Individual and Family Developmental Disabilities Support (DD) Waiver. This action would ensure approved vendors of Medicaid services would be available for this population. The legislation grants the Commissioner of the Department of Rehabilitative Services the authority to issue licenses for persons to establish, maintain and operate services funded through waivers, such as the Individual and Family Developmental Disability Support Waiver, in the State Plan for Medical Assistance that are not currently licensed by the Department of Social Services or Mental Health, Mental Retardation and Substance Abuse Services. The bill states that the Commissioner shall adopt regulations to implement the licensure process. The licensure procedure includes inspections; reasonable fee schedules; revocation or suspension of licenses for violations of regulations, illegal acts or conduct detrimental to the welfare of persons with developmental disabilities and other physical or sensory disabilities; and enforcement and sanctions.

6. Fiscal Impact Estimates are: Tentative.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$202,500	3.5	GF
2003-04	\$193,500	3.5	GF

6b. Revenue Impact: See Item 8.

7. Budget amendment necessary: Yes, Item 347.

8. Fiscal implications: The Department of Medical Assistance Services (DMAS) received approval to offer the Individual and Family Developmental Disabilities Support (DD) Waiver, effective July 1, 2000. The waiver currently offers thirteen services including crisis stabilization, in-home residential services, and day support services. There is an existing provider base for these services through the Mental Retardation Waiver; however, a base does not exist for those service providers who do not serve people with mental retardation. In order for providers to offer these services to those who qualify for the DD waiver, they must be licensed. The Department of Mental Retardation, Mental Health and Substance Abuse Services (DMHMR/SAS) provides

licensing for service providers under the Mental Retardation Waiver, but cannot currently provide that same service to providers who work with other disability populations.

This proposal would add a licensure unit to the Department of Rehabilitative Services (DRS). Currently, DRS does not handle any licensure functions. The agency estimated that the new unit would require 3.5 additional employees. The total cost of salary and benefits for these new positions is estimated at \$171,500 (2.5 positions in the role of Program Specialist III and one administrative position). Nonpersonal services expenses are estimated at \$31,000 in FY2003 and \$22,000 in FY2004. These expenses include travel, contractual services, supplies and materials, reoccurring expenses and equipment purchases.

Revenue derived from the fees charged for licensure may absorb a portion of these expenses. This is dependent upon how many potential fees are created through regulation, how much revenue the fees would derive, and the number of potential providers needing licensing.

9. Specific agency or political subdivisions affected: Department of Rehabilitative Services

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 01/22/02/laf

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cc: Secretary of Health and Human Resources